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FOR IMMEDIATE RELEASE:

**FORMER GUIDANT EMPLOYEE SENTENCED
FOR \$500,000 EMBEZZLEMENT**

PRESS RELEASE

Susan W. Brooks, United States Attorney for the Southern District of Indiana, announced that DEBORAH L. VAUGHN, 50, Indianapolis, Indiana, was sentenced to 29 months imprisonment today by U.S. District Judge John Daniel Tinder following her guilty plea to two counts of bank fraud in December 2003. This case was the result of an investigation by the Federal Bureau of Investigation.

Vaughn worked as a Treasury Associate within the Treasury Department of the Guidant headquarters in Indianapolis. During her employment, she managed a checking account which was primarily used for magazine subscriptions, board of director expenses and training conferences. She was responsible for managing the software program on Guidant's

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computer system which tracked the account's balance, expenditures and deposits. The software also printed the name of the payee, date, and dollar amount onto Guidant checks. Vaughn wrote numerous checks noting what would appear to be a legitimate payee on the check register, but in reality making the checks payable to herself. The falsified entries on the registers concealed her theft. She also forged supporting paperwork that was necessary to support the expenditures to the legitimate appearing payees in case the transactions were reviewed. Vaughn started this conduct in 1998, and it continued until 2002. The amount she took from this checking account belonging to Guidant totaled \$507,410. Vaughn is no longer employed with Guidant.

According to Assistant United States Attorney Gayle L. Helart, who prosecuted the case for the government, Judge Tinder also imposed 5 years supervised release following VAUGHN's imprisonment. During the period of supervised release, VAUGHN must undergo drug testing and she may not be employed in any position for which she has a fiduciary duty. VAUGHN was ordered to make restitution in the amount of \$507,410.

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